

EXHIBIT H

FORBES INNOVATION HEALTHCARE

EDITORS' PICK

Getting A Refund From Mental Health Startup Cerebral Can Take Its Own Toll On Customers

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Frustrated Cerebral customers have taken to social media and review sites to air their grievances. GETTY

**Internal documents show
Cerebral has a strict protocol
for refunds, and customers say**

the company resists when they seek repayment for services not rendered – until they pull out the big guns.

Mental health startup Cerebral's "Self-Care Sale" advertised 70% off its monthly subscriptions for counseling and medication. Elizabeth, who requested her real name not be used for privacy reasons, was one of the customers who signed up for the \$25 deal for the first month (regular price: \$85). She entered her credit card information and then agreed when asked on the next page if she wanted to "upgrade" to include therapy. What she didn't realize was she had consented to pay an additional \$114 to see a licensed therapist instead of an unlicensed care counselor. Seeing the two charges on her credit card bill, she immediately called Cerebral customer service and asked for a refund.

She says she was told on the phone she could expect a full refund, but subsequent emails with customer service said there was no record of the call and the only option was an "exception" for a 30% partial refund for the first month. "Since we bill using a subscription model, we are unable to reverse charges regardless of whether our services have been utilized," a Cerebral care coordinator wrote in an email. "We still have to compensate our team members for being available to provide our clients with the dedicated support they

deserve.” The irony of this email was not lost on

Elizabeth, who took to Twitter to express displeasure to her 5,000 followers. Forty-eight minutes later she received a call from a San Francisco area code that went to voicemail.

“I’m calling from the corporate office at Cerebral about your complaint. Um. I guess you sent a tweet over with some comments earlier today. Um. Yeah. You do actually need to read the terms and conditions when you sign up for things. It is not our fault if you choose not to do that,” said the Cerebral representative, who did not state their name, according to the voicemail recording shared with *Forbes*. “We prefer that in future you keep your comments to yourself. Thank you and have a great day.”

Rather than dissuade Elizabeth from the mission of getting her money back, it had the opposite effect. Her next email to customer service said she was reporting Cerebral to her state attorney general. Less than twenty-four hours later she was told she would be getting a full refund. What she didn’t know was that final email had triggered one of the company’s internal standards for giving a 100% refund: threatening legal action.

“As a business, we want to reduce any negative interaction with a patient. Our client support team will always evaluate and investigate the issue at hand and provide an appropriate solution,” a company spokesperson said in an emailed

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statement. “We are constantly reviewing our internal policies to account for changes in our business and client behavior.” He added the voicemail was “not typical” of customer service.

Law Professor Dee Pridgen suggests Cerebral’s attempt to comply with a federal online merchant law is “borderline, complying with the letter but not the spirit of the law.”

As with many automatic recurring subscriptions, Cerebral immediately charges customers upon registration and “there are no refunds regardless of whether Services were utilized,” according to the company’s publicly available [terms and conditions](#). But what’s posted publicly differs from Cerebral’s internal refund policy, which lays out 12 specific scenarios when the company will grant a full refund, including threats of legal action, according to an internal memo obtained by *Forbes*. Cerebral, which has cared for more than

200,000 patients since launching in 2020, was

valued at \$4.8 billion following a \$300 million funding round led by SoftBank Vision Fund 2 in December.

“There's nothing intrinsically wrong with charging people a recurring subscription fee even if they don't access the services,” says Dee Pridgen, an emeritus professor at the University of Wyoming College of Law, who specializes in consumer protection issues. But what's key is that customers have a clear understanding of the “material terms” of the transaction before their credit card is charged, she says. This was outlined in the “Restore Online Shoppers' Confidence Act,” which Congress passed in 2010.

In small print, at the bottom of the page where Cerebral customers are prompted to enter their credit card information, it says by clicking “submit” that customers consent to the payment terms, recurring billing policy and cancellation policy. Pridgen suggests Cerebral's attempt to comply with the act here is “borderline, complying with the letter but not the spirit of the law.” The separate links to the billing and cancellation policies are “conspicuously disclosed and there is a specific consent,” she says. “But it also looks like the marketing folks tried to make it so these disclosures and consents wouldn't be too discouraging.”

The company says it clearly links to the payment terms and recurring billing policy during the payment process. “We always aim to be as transparent as possible with our members,” Cerebral’s chief medical officer and psychiatrist David Mou said in an emailed statement. While the promotional page lists per month prices, the upgrade page during the payment process listed per week pricing when *Forbes* created a test profile. “Like many other [direct-to-consumer] healthcare companies, we test different pricing formats and it’s standard to test daily, weekly, and monthly pricing,” Mou said in an emailed statement when asked why the sign-up process switches between weekly and monthly rates. “This is just a way for us to figure out what format resonates best with our audience. We make it very clear on our payment pages that members are charged on a monthly basis.” After the credit card information was submitted, there was no confirmation page showing the total payment and no automatic receipt via email, both of which are typical in the vast majority of e-commerce transactions, from ordering a pizza to getting a streaming service subscription. Users have to log in and navigate to a dropdown menu called “invoices” in order to find a receipt.

Cerebral has several different subscription plans, including a combination of medication management and virtual meetings with an

management and virtual meetings with a licensed therapist, and a therapy-only track that doesn't include medication. A patient on the care counseling plan "can meet with a care counselor once a month" and those on the therapy plans "can meet with a therapist up to 4 times per month," according to Mou. But the ability to schedule an appointment is contingent upon the availability of the counselors, therapists or prescribers in a certain geographic location. So depending on where they live, some customers might be able to schedule a next day appointment, while others may have to wait weeks – and are billed just the same. This is a sore spot for many of the customers leaving negative reviews on [TrustPilot](#) and the [Better Business Bureau](#) who question why they're being charged when the only available appointments are weeks away. None of this is clear upfront: when customers sign up, their credit card is billed before they can see the schedule showing provider availability.

Mou contends the company is able to place 80% of its patients in appointments with a provider within 3 days. Mou also emphasized the services Cerebral offers extend beyond appointments. "Think of it as an Amazon subscription," he said on a phone call. "You're getting access to a slew of different resources," including unlimited messaging with care counselors (for people on that plan), educational materials and meditation

activities and other exercises. “The appointment is a main part of it, but it's not the only part of it. And it's really through this collective engagement, through texting, through chatting with your clinicians, through medications and therapy that we're able to really drive those industry leading clinical outcomes.”

“From what all of us are being told, our company is doing well and we’re experiencing extreme growth. Why not make an effort to do right by your clinical staff and do right by the patients that we’re there to serve?”

While the majority of patients may be receiving care in a timely fashion, there are others left to navigate what they describe as confusing, wallet-draining policies, according to dozens of negative reviews on TrustPilot and the Better Business

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Bureau in the past month alone. These customer complaints follow other issues that have plagued the two-year old mental health startup. In January, Instagram pulled Cerebral advertisements that violated its policies on eating disorders and body images [following inquiries from Forbes](#). (“The thing about the ad was our mistake,” Mou said on the phone. “And we corrected that immediately within days.”) The unicorn also reneged on salaries and health benefits for hundreds of its therapists over the summer, which Cerebral cofounder and CEO Kyle Robertson [previously told Forbes](#) was “a very difficult business decision.”

What customers aren’t told is that Cerebral’s internal refund policy separates out customers who “had the ability to schedule with a clinician within a reasonable time frame” and those who were unable to schedule “as a result of clinician capacity issues.” This “reasonable time frame” is not defined within Cerebral’s terms and conditions or billing policy. According to the internal memo, “reasonable” means being able to schedule a therapist appointment in 10 days or less and a prescriber appointment in 21 days or less. Customers who didn’t utilize any services but had the option to schedule appointments can be issued a partial refund of 30%, whereas customers who were unable to schedule due to no appointments being available are eligible for a full refund of 100%.

“I’m not aware of that,” Mou said when asked

about the specific timeframe of the refund policy in a phone call. “I just know that the vast majority of our patients get seen within a handful of days.”

When asked in a follow up email why this policy isn’t made public to consumers, a spokesperson wrote that Cerebral is “constantly reviewing our internal policies to account for changes in our business and client behavior, so communicating specific thresholds externally could cause greater confusion.”

The other full refund scenarios outlined in the internal memo include a mix of issues where Cerebral is at fault or if there are other mitigating circumstances. These include if the “client is under 18” (they shouldn’t have been able to sign up for services anyway); if the “client reports upgrading without understanding the costs associated AND has not utilized any of the services associated with the upgrade”; if the client said they wanted ADHD services but selected “yes” to the family heart condition question”; and, in the event of “client death,” according to the internal memo.

But these more clear-cut rationales aren’t the only reason Cerebral grants refunds. Protecting its own reputation also appears to be a priority. The internal document says full refunds will also be granted if a customer “threatens leaving a negative review” on websites, including

TrustPilot, the Better Business Bureau or Reviews.io. While the federal Consumer Review Fairness Act prevents companies from including contract language that prohibits negative reviews, “it doesn’t say they can’t try to discourage it on the phone,” says Pridgen.

Even though none of the refund scenarios are public, angry Cerebral customers are starting to catch on to what works when it comes to threatening negative reviews and legal action thanks to [Reddit threads](#) and a viral TikTok video from December, which has since [racked up 2.4 million views](#). In the video, Katie Mac, known as @KatieFromBoston, gets a full refund after accusing Cerebral of “predatory behavior” by “targeting people with mental illness and then stealing their money” and reporting the company to both the Better Business Bureau and the Massachusetts Attorney General.

And it’s not just patients who are frustrated – staffers working for Cerebral are unhappy with the company’s opaque customer service policies, too. “The main thing that a lot of employees are asking for is just transparency,” says a current Cerebral therapist, who asked to remain anonymous for fear of retaliation. “From what all of us are being told, our company is doing well and we’re experiencing extreme growth. Why not make an effort to do right by your clinical staff and do right by the patients that we’re there to serve?”

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